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23 OCT 1978

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File *Personnel-4*

MEMORANDUM FOR: Director of Personnel

FROM: John F. Blake
Deputy Director for Administration

SUBJECT: Panel Size and Composition

REFERENCE: Memorandum from DDCI to D/Pers, dtd 27 Sep 78,
Subj: Composition of Career Service and Subgroup
Panels and More Uniform Agency Standards for
Personnel Management Operations

1. We would assume that the proposal to restructure the Agency's panel system arises from the feeling that more unbiased and objective evaluations are required, and therefore it becomes necessary to introduce panel members from outside the functional categories of those being evaluated. We believe the proposal would not meet the objective and would create other problems not presently faced.

2. Under our current system, subgroups may establish panels which in their belief best serve the needs of management and their people. At present, panel structures generally fall into three categories: (a) panels comprised solely of functional and line supervisors; (b) panels comprising supervisors and non-supervisors; and (c) panels consisting of members entirely removed from supervisory structures. The latter usually occurs by chance as opposed to design.

3. While supervisors can best understand the nuances of the requirements of the job vis-a-vis the employee's handling of same, others who have spent their career facing similar problems are next best suited to judge the competence of individuals being rated. Knowledge of the position and the incumbent along with the record outlining the incumbent's performance are basic ingredients leading to an effective evaluation procedure. Evaluations by individuals not knowledgeable of the person or the function would have to rely almost solely on the Fitness Report. The Fitness Report writer could conceivably spend his efforts "educating the reader" and the actual performance appraisal could take a secondary place in the report. Even with this the evaluator will not have a full appreciation for all that is said with regard to the job and the manner in which it is done.

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4. Officers who know the individual being rated can best address that person's strengths and weaknesses. Personal knowledge adds to the validity of the evaluation. Toward this generally recognized concept, subgroups in the past have initiated programs whereby the panels personally interview officers they will be evaluating. This has widespread acceptance because employees feel that the more the evaluator knows about them, the more objective and valid the evaluation will be.


5. Performance appraisal is a basic function of effective management. This concept would be impaired in a system which removes functional managers from one of the most important phases of such a system -- the assessment of an individual in comparison with his peers.

6. In addition, we do not recognize the value or purpose in having panels evaluate larger numbers of careerists and do not see how the desired objectivity will be introduced. What could evolve may be a more time consuming, cumbersome, and impersonal system. The panels operating in our current system, normally consisting of about four to seven or eight officers, are responsible for and they have more opportunity to carefully evaluate fewer than 100 employees in most instances. It is doubtful that that could exist under an expanded system.

7. If we must embark into an experimental mode such as pilot program, we prefer to have one "outsider" sit on each panel and have that officer observe and comment on the panel's actions.

8. Finally, we feel that any decision regarding changes to the current system should be delayed until completion of the survey to be conducted by the team from the National Academy of Public Administration.


/s/ Michael J. Malanick

 John F. Blake

Distribution:


Orig - D/Pers

 1 - DDA chrono

 1 - DDA subj

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Rewritten:ADDA/MJMalanick:cn

78-2999
27 SEP 1978

MEMORANDUM FOR: Deputy Director of Central Intelligence

FROM : F. W. M. Janney
Director of Personnel

SUBJECT : Composition of Career Service and Subgroup
Panels and More Uniform Agency Standards
for Personnel Management Operations

1. Action Requested:

a. At the 13 September 1978 meeting with the Deputy Director of Administration on the subject of instituting improvements in the Agency's personnel management system, you identified a particular and "central issue" concern of the Director on the question of the appropriate composition of the membership of the Career Service and Subgroup panels and the role of supervisors versus non-supervisors in the panel evaluation process. In addition and relative to the panel membership question, you expressed concern over the need for more specific uniform Agency standards relative to the precepts of panel operations, the criteria used in comparative ranking and promotion exercises, the procedures for advising employees of their standings, etc.

b. Pursuant to these discussions you asked that a paper be prepared by 27 September 1978 which would address the specific question of the composition and role of panel membership as well as the broader consideration of establishing more definitive and uniform standards for panel operations and processes aimed at improving the effectiveness of personnel management within the Agency at large.

c. This paper, while addressing the specific subject of the panel makeup question as requested, contains a recommendation for your consideration as regards a proposed methodology to review the elements of the Agency personnel management system as an integrated totality rather than as a series of studies of its separate features.

2. Background:

a. The Career Service and Subgroup Panel System:

(1) Since 1973, Agency personnel management policy has required formal Career Service panel systems for the annual comparative evaluation and ranking of all professional employees. Agency policy has not required, however, that the panel responsibility be extended to promotion review and recommendations, though in many Subgroups and in the DDO as a whole this has been the practice. In some components the evaluation panels have served in a staff capacity to a Career Service board where the actual promotion recommendations were made.

(2) While sets of common Agency-wide "Personnel Management Objectives" (see Tab A) and uniform "Personnel Management Programmatic Responsibilities" (see Tab B) were established by the then-Director as basic standards applicable to all of the Career Services, they were general in nature and were designed to provide the Heads of the Career Services with the latitude to institute implementation precepts and methodologies appropriate to perceived differences in the personnel management requirements of their Directorates. In this policy environment, Heads of Career Services, while held accountable for adherence to the uniform but general policy directives, developed various and different approaches to carry out their career management responsibilities.

(3) With the recent implementation of the Uniform Promotion System, uniformity has now been instituted as regards promotions through the requirement that Career Service panel mechanisms will address employee promotions regardless of category or grade. In response to the Director's decision that responsibility for promotion/ranking/selection be charged to the panels, the Career Services have reviewed the structures and procedures of their Directorate and Subgroup panels to ensure effective compliance with the directive. Where necessary, there has been some restructuring of existing panels and the establishment of new panels.

b. The Career Service Panel Structure:

(1) Attached (Tab C) is a matrix for each Career Service listing the Board and Panel structures, the membership, chairmanship and responsibilities. As indicated, many of the panels are responsible for recommending assignments and training. This is a natural evolution of the evaluation responsibility but is not now a functional requirement under current Agency policy. As the panels settle into operation under the new guidelines, we would expect this function will become more common.

(2) There is usually a Career Service-level board, composed of senior personnel, responsible for the GS-14 and GS-15 group. Coverage by the other boards and panels normally depends on the size of the office and the distribution and mix of personnel. Some panels are responsible for personnel by grade, some are organized by functional specialties, and some have combination coverages. Memberships in the panels vary either by incumbents of designated positions or by individual appointment of officers selected for their particular contributions. With the exception of the DDO, the Senior Secretarial Panels and the Career Service Senior Boards, panels function on a Subgroup basis.

(3) All offices (Subgroups) in the Agency are not homogeneous in their structure or functional roles and may not be in a position to have the same panel compositions. Without more detailed study of the particular situation it is not possible to endorse one system (i.e., as regards panel membership) or another as being more appropriate or effective. For an example, in the Office of Personnel, where over one-third of the careerists serve outside the central Office, there is a commonality of professional supervision, but the day-to-day functional supervision is received from the officers of the components where assigned. In the larger components, junior officers may be supervised by more senior personnel officers, but this is not always true. This same situation prevails in the DDA Subgroups of Finance, Security and Logistics. Selection for membership to an Office of Personnel panel is made with the intent of providing balanced representational coverage with supervisory input rather than direct supervisory participation. In contrast, the offices of NFAC, where essentially all evaluated personnel serve within the office and supervision of employees is by the office line of command, the panels are normally composed of supervisors.

c. Standardization of Panel Precepts, Criteria Utilized in Comparative Evaluation/Ranking/Promotion Processes:

(1) As previously cited earlier in this paper, the basic body of Agency "uniform" policies relative to career and personnel management was consciously developed by previous Directors to be general in nature and designed to provide the Heads of the Career Services with the authority and flexibility to institute internal implementation policies and processes which they perceive to be best suited to both the managerial needs of their Directorates and responsive to the needs and interests of their assigned personnel.

(2) Implementation policies and practices within a Directorate Career Service are essentially uniform but, when viewed from an inter-Directorate vantage point, a pattern of varied approaches is evident. These differences have a rationale and a supportable basis from Directorate management's viewpoint. There is, however, a large degree of commonality between the Career Services as regards panel makeup, precepts, evaluation criteria and methodology. The recent new directives relative to the Uniform Promotion System and the establishment of formal panels for secretarial and clerical employees will certainly enhance and improve management of these groups within the Career Services and the Agency at large.

(3) Agency-wide evaluation criteria as presently set forth by Agency regulation are quite general in nature. Attached (Tab D) are the specific criteria used in the evaluation of Office of Personnel employees, one set for professional and another for clerical. The point system involved in this system is particularly conducive to arriving at specific rankings in each grade and could well serve as a model. In addition to using a uniform set of criteria Agency-wide, it would be appropriate for Career Services to have additional criteria, published in the Personnel Handbooks, tailored to any unique requirements of the particular Service.

3. Staff Position:

a. The Composition of Membership of Career Service and Subgroup Panels:

(1) We have assumed that the question of the composition of panel membership derives from a concern as to the objectivity and/or effectiveness of supervisory personnel, directly or indirectly associated with employees evaluated, performing the evaluation function. The extreme alternative to supervisory membership would be establishing panels composed of individuals who are totally disassociated with the discipline, profession or associations of the employees being evaluated. Peer evaluation or "combination" panels are other alternatives -- both of which have been experimented with by certain Career Services in the past.

(2) There is every indication from day-to-day contact with employees that many are concerned about panel evaluations which do not include their supervisors or provide for supervisory input. To establish a policy whereby panel evaluations would be performed by individuals not associated with the pertinent professional discipline and its requirements could present a potentially more threatening situation than evaluation by the known supervisory level.

(3) We are not aware of any organizations that have evaluation systems that eliminate individuals with background or experience with the matter at hand. The panel system at the State Department for the evaluation of FSO's has a membership which is representative of the "cone" being reviewed. A review of the literature on performance evaluation strongly recommends that the supervisor is an essential participant in any appraisal system. Louis Allen in his book "Professional Management" says, "A manager must carry out this responsibility (e.g., performance appraisal) himself; it cannot be easily delegated." Other experts also conclude that it must not be delegated. In developing background material for the Performance Evaluation Task Force study earlier this year, the Office of Personnel had the opportunity to review over 100 governmental and corporate performance appraisal systems. In all such group evaluation systems, the supervisory echelon was included in panel membership.

(4) Supervisory membership directly associated with the professional discipline of the employees to be evaluated is strongly indicated because of their awareness of the nuances of the given profession and the subtleties of performance/potential elements of the occupational area.

(5) While there appear to be convincing arguments that the panels should preferably be composed of supervisors or personnel closely associated with the disciplines of the employees being evaluated, experimentation might be instituted with selected Subgroups using pilot "dual" panel evaluations by officers not associated with the discipline (i.e., without abandoning the current system within the Subgroup). We could then make comparisons of the resultant rankings and documentation of the rationale for their conclusions. The results of such pilot projects would provide insight into the validity of such approaches and a basis for further considerations of the issue.

b. Standardization of Panel Precepts, Criteria and Procedures Used in Comparative Evaluation/Ranking/Promotion Processes:

(1) The time ~~frame~~ available for the preparation of this paper was insufficient to undertake the depth of research and analysis essential to the development of a conclusive staff position on the selection and definition of what policies, delegations of authority, evaluation criteria and procedures should be adopted or modified as the Agency standards for these vital concerns. There are, however, certain starting points where such indepth studies might begin.

(2) The current body of general Agency "uniform" policy guidelines -- recently more precisely defined by the Director as regards uniform promotion standards -- was instituted in 1973-74 as deemed appropriate at that point in time when the Director was effecting his "new approaches" to personnel management. The purpose at that time was to get the Directorates started in a common (albeit with considerable flexibility) direction in the primary personnel programmatic areas.

(3) It is evident today that the Career Services and Subgroups are well along in terms of their internal implementation policies, precepts, criteria and established procedures relative to career and personnel management within each of the Directorates. The body of general Agency policy currently on the books which has served the designed purposes in the recent past could now stand refinement and specificity appropriate today to achieve further selective standardization and centralization on the one hand and the retention of sufficient flexibility for component management to exercise reasonable judgment in meeting their particular and unique responsibilities.

(4) The elements of the personnel management system in any relatively large organization are multi-faceted and essentially interrelated. A change in concept or policy directed at one facet inevitably impacts on other elements of the system. The consequences of instituting segmented changes, therefore, must be fully anticipated to make certain they will not adversely affect other elements of the system and produce undesired effects. Upon indications that the personnel management system in general is not fully responsive to top management's concepts and determinations, the effectiveness of the organization as a whole or the needs of the work force, it is essential that the entire system be studied and evaluated as an integrated totality, as we did in 1973. In this way, changes can be instituted to accomplish the designated purposes and dysfunctional effects can be avoided.

There are various approaches to undertaking such an indepth study and the development of proposals for changes in the Agency's personnel management system:

Option 1: By the Office of Personnel assisted by operations-level representatives from each of the five Career Services.

Option 2: By a task group, chaired by the Director of Personnel and composed of designated members from the Directorates, the Office of the DCI, and other appropriate resource persons. (This approach was used by institution in 1973 of the Personnel Approaches Study Group.)

Option 3: A contract with an external management consulting organization or an individual expert on personnel management systems.

4. Recommendations: It is recommended that:

a. Each Career Service establish a pilot project of two panels in each Directorate to conduct comparative evaluation and promotion rankings/recommendations parallel with established "official" panels. The pilot project panels would be composed of personnel not associated with the organization or functions of the employee group being evaluated. The results of the pilot panel evaluations (e.g., comparison with official panels, analytical comments of the sitting members, et al.) would be used for studies leading to a decision on the issue of the panel composition.

b. An indepth study encompassing all major aspects of the Agency's total personnel management system be made with a particular focus on the substance and extent of uniformity of standards needed in Career Service personnel management operations.

(Signed) F. W. M. Janney

F. W. M. Janney

Atts

Recommendation 4a is:

() APPROVED () DISAPPROVED

Recommendation 4b is:

() APPROVED () DISAPPROVED

Deputy Director of Central Intelligence

Date

Distribution:

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AGENCY PERSONNEL OBJECTIVES

1. To recruit within the full meaning of equal employment opportunity policies the best qualified individuals who have demonstrated ability or potential for development to serve present and future personnel requirements.
2. To maintain standards of conduct which expect employees to work to their full ability, to maintain a spirit of cooperativeness in their work, to be willing to serve the Agency's needs wherever and whenever required, and to adhere to exemplary standards of behavior in their private and official lives.
3. To provide employees with:
 - (a) Opportunities for making the best use of their training and experience.
 - (b) Avenues for employment and advancement on the basis of ability and performance.
 - (c) Equal pay for substantially equal work within prevailing pay systems.
 - (d) An environment in which individual employees received opportunities and job satisfaction commensurate with their individual skills, abilities, and contributions.
4. To operate an Agency-wide evaluation program for determining those employees with the most and least potential and to identify those employees who fail to meet current work requirements or suitability standards and to separate equitably those whose continued employment is not in the national interest.
5. To foster close and open communications between Agency officials and employees.

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AGENCY PERSONNEL MANAGEMENT PROGRAM RESPONSIBILITIES

[REDACTED]

The Director's designated representative and each of the Deputy Directors are Heads of their respective Career Services and are responsible for the application and functioning of the Agency's personnel program as it applies to employees under their career jurisdiction. They will exercise the following specific career service responsibilities:

- (a) Develop and disseminate uniform promotion criteria.
- (b) Establish an appropriate Career Service panel structure and procedure to conduct, at least annually, the evaluation and ranking of professional personnel.
- (c) Provide the evaluation panels with uniform ranking criteria that will identify employees with the highest and least potential and those in between. Normally, those having the lowest rankings will have this fact made known to them.
- (d) Review periodically the evaluation activities and results.
- (e) Establish Career Service personnel objectives in connection with personnel management evaluation systems such as Annual Personnel Plan (APP) and Personnel Development Program (PDP).
- (f) Establish at the directorate level a program and criteria for the career management of supergrade personnel. The program will include a system to review annually supergrade personnel in personal rank assignments and to effect corrective action when needed.
- (g) Create a Career Service-wide counseling program which provides:
 - (1) Counseling for employees whenever it is recommended in the course of an evaluation process.
 - (2) A visible counseling service where employees may go on their own initiative for career guidance and job assistance.
- (h) Organize Career Sub-Groups below the directorate level as they are deemed appropriate to implement the personnel policies and programs of the Career Service. These Career Sub-Groups may be organized on either a grade, function, or program basis.
- (i) Establish Career Service standards for selecting candidates to attend senior schools or courses.

- (j) Establish Career Service policy and standards for approving external full-time and part-time training.
- (k) Establish minimum training standards for managerial and occupational positions when training is considered necessary for job performance and employee development.
- (l) Establish policy to facilitate inter-Career Service transfers and rotational tours.
- (m) Establish policy guidance and procedures for recommending Honor and Merit Awards.
- (n) Develop procedures for handling surplus employees to include appropriate counseling, retraining or reassignment, and notification of their surplus status.
- (o) Establish a uniform grievance procedure for the Career Service.